



IRAQ Status Report

U.S. DEPARTMENT OF STATE
Bureau of Near Eastern Affairs
Iraq Policy & Operations Group

A BIWEEKLY REVIEW OF DEVELOPMENTS IN IRAQ

UNCLASSIFIED

JUNE 23, 2011

KEY DEVELOPMENTS

- [Officials Say Mahdi Army Unlikely to Return to Violence](#)
- [AQI Militants Sentenced to Death in Iraq](#)
- [PRT Babil Provides Assistance and Funds to Local Education Initiatives](#)
- [Zain Iraq Plans IPO on Iraq Stock Exchange](#)
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Politics and Diplomacy

Officials Say Mahdi Army Unlikely to Return to Violence: While Shi'a cleric Muqtada al-Sadr's anti-U.S. rhetoric still inspires followers, Iraqi security officials say Mahdi Army splinter groups have too much to lose by returning to sectarian violence. With 39 seats in the 325-member parliament, Mahdi Army veterans may be much less keen to return to arms, even if Sadr calls on them to do so, Mahdi leaders and Iraqi security officials say. "Despite his huge number of supporters, if Moqtada decided to fight now, only a few would fight," said Abu Sadiq, a senior Mahdi Army leader in Sadr City. Additionally, "the danger that Moqtada faces is from his leaders who are competing with each other for posts, wealth and positions," Abu Moqtada, a former Mahdi fighter, said. The biggest splinter group, Asaib al-Haq, is already challenging Sadr's authority and legitimacy. (NEA-I-IPOG, [Reuters](#))

AQI Militants Sentenced to Death in Iraq: Iraq's top criminal court issued death sentences on June 16 against 15 al-Qaida militants for a 2006 wedding massacre in which 70 people were killed, judicial spokesman Abdelsattar Birakdar said. Birakdar added that the "prisoners...have a month to appeal the sentences, after which the verdicts will go to the presidency for approval." On May 28, Iraqi authorities announced they had arrested 25 suspects for the wedding attack. ([AFP](#))

Economic Activity

PRT Babil Provides Assistance and Funds to Local Education Initiatives: At the request of administrators and parents, PRT Babil has been assisting local education leaders in rehabilitating

school infrastructure and institutional capacity. PRT Babil, along with the U.S. Army Corps of Engineers, has contributed to the construction and refurbishment of dozens of schools to alleviate overcrowding in Babil's current facilities. PRT Babil has also donated classroom caravans, school buses, Arabic-language textbooks, and laptops to provide Babil students with crucial materials and infrastructure. In another advancement, PRT Babil is working to develop a parent-teacher association (PTA) to bolster Babil parental participation in the decision-making processes regarding their children's education.

Babil's Governor and the Director General for Education are among Iraq's top education advocates and are committed to improving the local system for Babil's children and adult learners. PRT Babil, through its contributions of over \$10 million and its time and efforts in working with Babil's leaders, is likewise doing its part to improve the system and thus improve the long-term prospects of Babil's students. (NEA-I-IPOG; Embassy Baghdad)

Zain Iraq Plans IPO on Iraq Stock Exchange: Zain Iraq is making arrangements to launch its initial public offering (IPO) on the Iraq Stock Exchange (ISX), according to the company's chief executive. The Kuwaiti company and its competitors in Iraq's burgeoning mobile phone market, including AsiaCell, Korek, and Qatar Telecommunications, are required to list shares on the ISX by August 2011 per the requirements in their contracts with Iraq's Communications and Media Commission (CMC). The CMC has indicated that it will impose penalties on the companies should they fail to meet the August 2011 deadline, though Zain CEO Emad Makiya said that Zain "is going to fulfill" its contractual obligation to list shares. Kuwaiti media has speculated that Zain's IPO will release 20% ownership to the public for a stake of roughly \$800 million, which will provide a capital boost to Iraq's promising ISX. (NEA-I-IPOG; [Reuters](#))

Spotlight on PRT Wasit

PRT Wasit: Positioned mid-way between Baghdad and Basrah along the Iranian frontier, Wasit's economy remains dominated by agriculture, oil, and government owned enterprises. The development and continued growth of the Zurbatiyah port of entry is providing new opportunities and challenges for Wasit's provincial institutions. Over the course of its operations, PRT Wasit delivered critical technical assistance to the provincial government, often acting as a stabilizing force for fledgling provincial institutions in times of crisis, including the public removal of the Provincial Governor. Before PRT Wasit closed its doors this month, it conducted training for some of its interlocutors on Skype™ - providing a virtual connection to Embassy Baghdad for future interaction and engagement between Iraqi and U.S. officials.

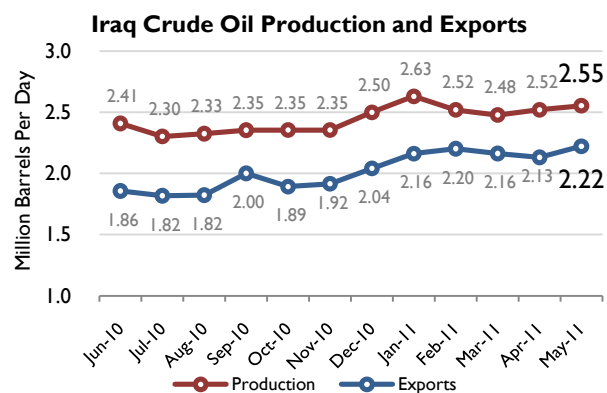
With a strong focus on budget execution and public finance, PRT Wasit stepped in to provide training for more than 40 provincial officials in the wake of a 2010 failure to execute more than 60% of the province's budget. Innovative programming at the Zurbatiyah Port of Entry brought basic medical care and improved infrastructure for the millions of pilgrims passing through each year. PRT Wasit supported public education by providing classes on health and hygiene, holding workshops to highlight student exchange opportunities to the United States, and creating a Pride and Beautification program to teach children about the proper disposal of refuse. PRT Wasit encouraged cultural development by sponsoring the Wasit Arts and Crafts Trade Show and

encouraged business development with technical assistance to support the Wasit Chamber of Commerce website (www.wassitch.com), providing a window on Wasit's investment climate. Agriculture initiatives further supported economic development in the Province and included importation of peach saplings for fruit farmers, distribution of "Vet Packs" with equipment to diagnose and treat a variety of farm animals, introduction of salt-resistant and drought tolerant Bermuda grass, and provision of 190 small water pumps to needy farmers. PRT Wasit's rule of law team brought modern case tracking systems and secure case file storage facilities to Wasit's courthouses, while PRT investment in the Wasit Commission on Integrity supported nation-wide anti-corruption programming. Workshops on property rights, child custody laws, and family violence supported traditionally disadvantaged populations and demonstrated Iraqi investment in human rights and civic education. (NEA-I-PRT/T; PRT Wasit)

Current Economic Indicators

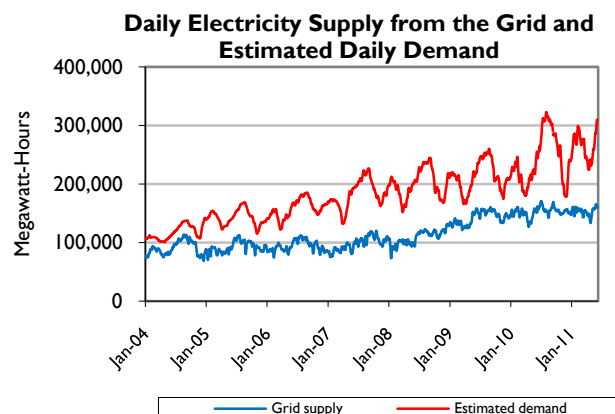
Crude Oil Average Closing Prices (June 6 – June 17)

Basrah Light \$110.48/bbl || Dated Brent \$116.55/bbl || WTI Cushing \$97.95/bbl || Oman/Dubai \$109.77/bbl



2010 Oil Revenue: \$51.4 Billion (est)

2011 Oil Revenue: \$30 Billion (est)



Source: Department of State, NEA/I Economics Section, NEA-I-ECON-DL@state.gov

Other Headlines

Iraqi Lawmakers Meet to Discuss U.S. Troop Extension (June 20, [Aswat al-Iraq](#))

U.S. Should Stay in Iraq: Iraq Governor (June 15, [AFP](#))

Dubai's Emirates Announces new Iraq Route, Says Flights to Baghdad to Start in November (June 14, [AP](#))

Iraq Plans Rehabilitation of Railway Network (June 14, [Kurdistan News Agency](#))

For additional information, please see:

- **Department of State, Iraq Status Reports**
<http://www.state.gov/p/nea/rls/rpt/c28010.htm>
- **Department of State, Section 1227 Report on Iraq**
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- **Department of Defense, Section 9010 Measuring Stability and Security in Iraq**
http://www.defenselink.mil/home/features/Iraq_Reports/index.html
- **Central Intelligence Agency, World Factbook**
<https://www.cia.gov/library/publications/the-world-factbook/geos/iz.html>

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NEA-I-IPOG-DL@state.gov or call 202-663-1584